

## Department of Defense

## 204.7104-2

line item, it may be necessary to withhold payment on the priced subline item until all the related subline items that are not separately priced have been delivered. In those cases, use the clause at 252.204-7002, Payment for Subline Items Not Separately Priced.

[56 FR 36289, July 31, 1991, as amended at 60 FR 34468, July 3, 1995; 68 FR 75200, Dec. 30, 2003]

### 204.7104-2 Numbering procedures.

(a) Number subline items by adding either two numeric characters or two alpha characters to the basic contract line item number.

(1) *Information subline item numbers.* Use numeric characters only for information subline items, running 01 through 99. Do not use spaces or special characters to separate the subline item number from the contract line item number that is its root. For example, if the contract line item number is 0001, the first three subline items would be 000101, 000102, and 000103. Do not use a designation more than once within a contract line item.

(2) *Separately identified subline items.* Use alpha characters only for separately identified subline items, running AA through ZZ. Do not use spaces or special characters to separate the subline item number from the contract line item number that is its root. For example, if the contract line item number is 0001, the first three subline items would be 0001AA, 0001AB, and 0001AC.

(i) Do not use the letters I or O as alpha characters.

(ii) Use all 24 available alpha characters in the second position before selecting a different alpha character for the first position. For example, AA, AB, AC, through AZ before beginning BA, BB, and BC.

(b) Within a given contract line item, the subline item numbers shall be sequential but need not be consecutive.

(c) Exhibits may be used as an alternative to setting forth in the schedule a long list of contract subline items. If exhibits are used, create a contract subline item citing the exhibit's identifier. See 204.7105.

(d) If a contract line item involves ancillary functions, like packaging and handling, transportation, payment of state or local taxes, or use of reusable containers, and these functions are normally performed by the contractor and the contractor is normally entitled to reimbursement for performing these functions, do not establish a separate subline item solely to account for these functions. However, do identify the functions in the contract schedule. If offeror separately prices these functions, then contracting officers may establish separate subline items for the functions; however, the separate subline items must conform to the requirements of 204.7104-1.

(e) The following examples illustrate subline items numbering—

(1) Subline items structured to identify destinations for identical items, identically priced (delivery schedule shall be established for each subline item, not the contract line item).

Item No.	Supplies/service	Quantity	Unit	Unit price	Amount
0001	NSN 1615-00-591-6620 Shim, Aluminum Alloy, Apbl, Rotor, Helicopter PRON A1-9-63821-M1-M1 ACRN:AA.	.....		.....	.....
0001AA	A3168R-9030-4025 A2537M IPD: 2 RDD: 334 PROJ: 501.	10	EA	\$100.00	\$1,000.00
0001AB	A3168R-9030-4026 A51AXBM IPD: 2 RDD: 325 PROJ: 502.	10	EA	\$100.00	\$1,000.00
0001AC	A3168R-9030-4027 A67KBCM IPD: 2 RDD: 349 PROJ: 503.	15	EA	\$100.00	\$1,500.00

(2) Subline items structured to identify destinations for identical items, not identically priced (delivery schedule shall be established for each

subline item, not the contract line item).

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Item No.	Supplies/service	Quantity	Unit	Unit price	Amount
0001	NSN 1615-00-591-6620 Shim, Aluminum Alloy, Apbl, Rotor, Helicopter PRON A1-9-63821-M1-M1 ACRN:AA.	.....		.....	.....
0001AA	A3168R-9030-4025 A2537M IPD: 2 RDD: 334 PROJ: 501.	10	EA	\$100.00	\$1,000.00
0001AB	A3168R-9030-4026 A51AXB M IPD: 2 RDD: 325 PROJ: 502.	20	EA	\$99.00	\$1,980.00
0001AC	A3168R-9030-4027 A67KBCM IPD: 2 RDD: 349 PROJ: 503.	30	EA	\$98.00	\$2,940.09

NOTE: Difference in prices for identical items is due to separate destinations for FOB destination delivery.

(3) Subline items structured to identify different sizes of an item that are identically priced (delivery schedule shall be established for each subline item, not the contract line item).

Item No.	Supplies/service	Quantity	Unit	Unit price	Amount
0013	Boots Insulated, Cold Weather White, Type II, Class 1 ...	.....	PR	\$38.35	\$13,422.50
0013AA	8430-00-655-5541 Size 5N .....	50		.....	.....
0013AB	8430-00-655-5544 Size 8N .....	70		.....	.....
0013AC	8430-00-655-5551 Size 9N .....	30		.....	.....
0013AD	8430-00-655-5535 Size 9R .....	200		.....	.....

NOTE: Unit price and total amount shown at line item level rather than at subline item level.

(4) Subline items structured to identify different sizes of an item that are not identically priced (delivery schedule shall be established for each subline item, not the contract line item).

Item No.	Supplies/service	Quantity	Unit	Unit price	Amount
0002	Body Armor Ground Troops Variable Type Small Arms, Fragmentation Protective Nylon Felt Vest, Front and Back Plates, Ceramic Plate, Type I.	.....		.....	.....
0002AA	First Article .....	1	LO	NSP	.....
0002AB	8470-00-141-0935, Medium Regular .....	1936	SE	\$331.77	\$642,306.72
0002AC	8470-00-141-0936, Large Regular .....	625	SE	355.77	222,356.25
0002AD	8470-00-141-0937, Medium Long .....	1237	SE	346.77	428,954.49
0002AE	8470-00-141-0938, Large Long .....	804	SE	365.77	294,079.08

(5) Subline items structured to provide the capability for relating subordinate separately priced packaging costs to the overall contract line item. (Separate delivery schedules shall be established for the subline item identifying the contractor's product and for the subline item identifying packaging. No schedule will be established for the contract line item.)

Item No.	Supplies/service	Quantity	Unit	Unit price	Amount
0001	6105-00-635-6568 50380 Ref No 63504-WZ Armature				
0001AA	6105-00-635-6568 50380 Ref No 63504-WZ Armature Motor ACRN:AA	2	Ea .....	\$2,895.87	\$5,791.74
0001AB	Packaging ACRN:AA .....	2	Ea .....	\$289.58	\$579.16

(6) Subline items structured to identify different accounting classifications for identical items (delivery schedule shall be established for each subline item, not the contract line item).

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AJ: 17X150518350315069100000192B00000000000000000000  
 AK: 17X150518370317569100000192B00000000000000000000  
 AL: 17X150519350314369100000192B00000000000000000000

Item no.	Supplies/service	Quantity	Unit	Unit price	Amount
0002	Pulse Decoder, KY-312/A5Q-19 .....	.....	EA	\$3,037.40	.....
0002AA	Pulse Decoder, KY-312/A5Q-19 ACRN: AJ .....	2		.....	6,074.80
0002AB	Pulse Decoder, K1Y-312/A5Q-19 ACRN: AK .....	6		.....	18,224.40
0002AC	Pulse Decoder, KY-312/A5Q-19 ACRN: AL .....	2		.....	\$6,074.80

NOTE: Unit price may be shown at line item level and total amounts shown at subline item level.

(7) Informational subline items established to identify multiple accounting classification citations assigned to a single contract line item.

Item No.	Supplies/service	Quantity	Unit	Unit price	Amount
0001	Air Vehicle .....	1	Ea	\$6,700,000	\$6,700,000
000101	ACRN:AA \$3,300,000 .....				
000102	ACRN:AB \$2,000,000 .....				
000103	ACRN:AC \$1,400,000 .....				

(8) Subline items structured to identify parts of an assembly (delivery schedule and price shall be established for each identified part at the subline item level, not for the assembly at the contract line item level).

Item no.	Supplies/service	Quantity	Unit	Unit price	Amount
0003	Automatic Degaussing System Consisting of: (2 ea @ \$52,061; \$104,122 total).	.....		.....	.....
0003AA	Switchboard .....	2	EA	\$52,061.00	\$104,122.00
0003AB	Remote Control Panel .....	2	EA	NSP	.....
0003AC	Power Supply (M Coil) SSM Type 145 Amps, 220 V DC) .....	2	EA	NSP	.....
0003AF	Power Supply (A Coil) SSM Type (118 Amps, 220 V DC).	2	EA	NSP	.....

(9) Subline items structured to identify parts of a kit (delivery schedule and price shall be established for each identified part at the subline item level, not for the kit at the contract line item level).

Item no.	Supplies/service	Quantity	Unit	Unit price	Amount
0031	Conversion Kit to Convert Torpedo MK 45 Mod 0 to Torpedo MK 45 Mod 1, (50 Kt @ \$10,868.52; \$543,426 total).	.....		.....	.....
0031AA	Integrator Assy LD 620106 .....	50	EA	\$10,868.52	\$543,426.00
0031AB	Pulse Generator Assy LD 587569 .....	50	EA	NSP	.....
0031AC	Drive Shaft Assy LD 587559 .....	50	EA	NSP	.....
0031BF	Actual Panel Assy LD 542924 .....	50	EA	NSP	.....

NOTE: In this example, the prices of subline items 0031AB through 0031BF are included in the Integrator Assembly.

[56 FR 36289, July 31, 1991, as amended at 60 FR 34468, July 3, 1995]

**204.7105 Contract exhibits and attachments.**

(a) *Use of exhibits.* (1) Exhibits may be used instead of putting a long list of contract line items or subline items in the contract schedule. Exhibits are particularly useful in buying spare parts.

(2) When using exhibits, establish a contract line or subline item and refer to the exhibit.

(3) Identify exhibits individually.

(4) Each exhibit shall apply to only one contract line item or subline item, except—

(i) One exhibit may apply to one or more option line item(s) when the data